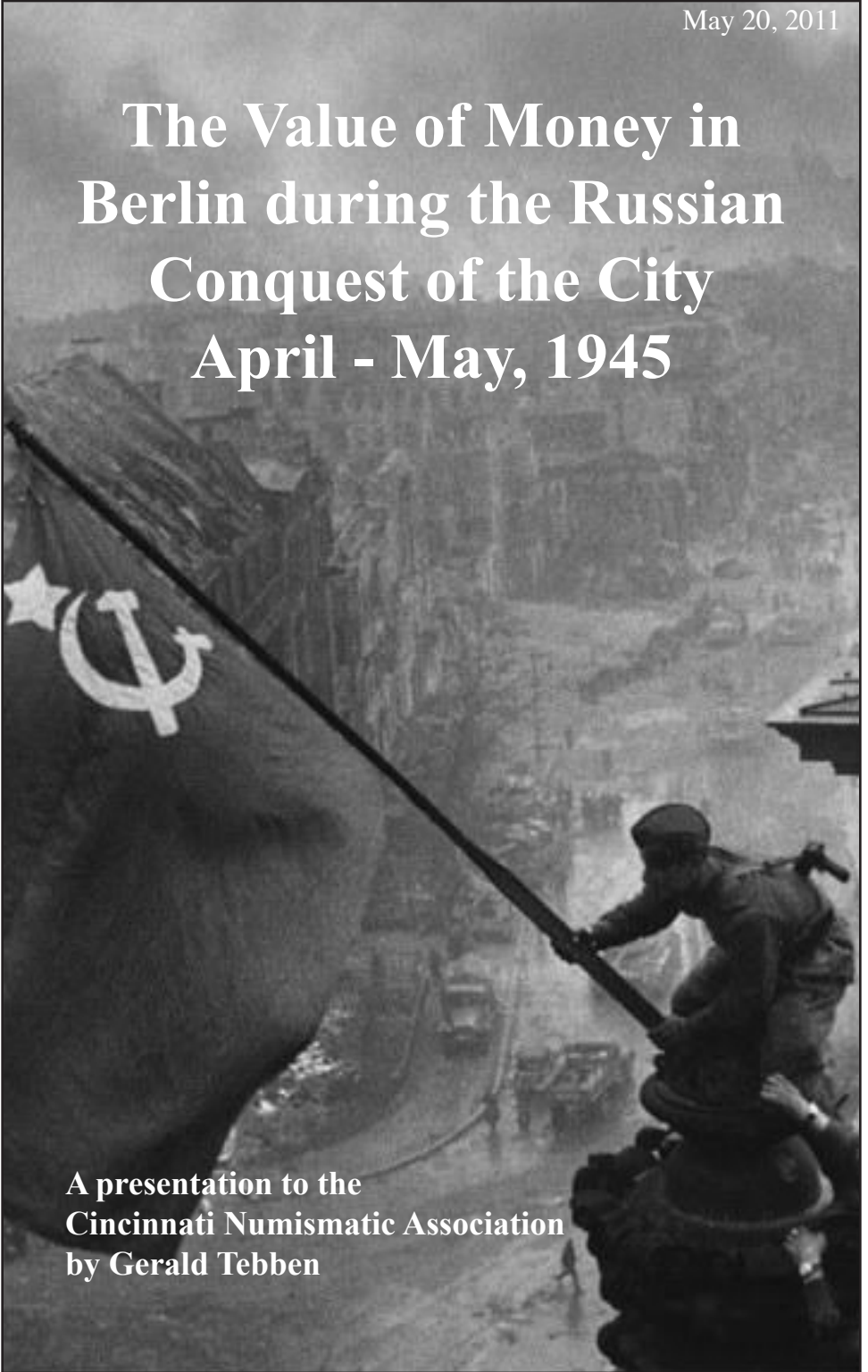
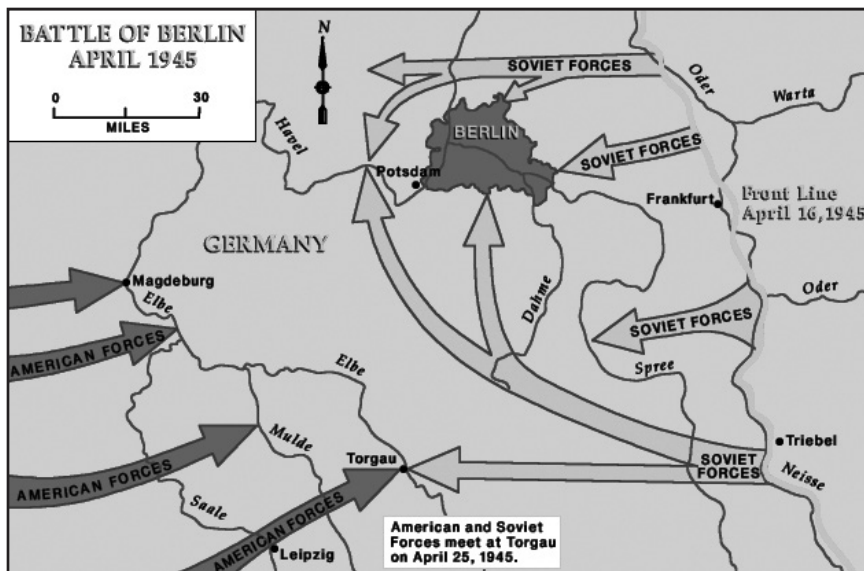


May 20, 2011

The Value of Money in Berlin during the Russian Conquest of the City April - May, 1945

A presentation to the
Cincinnati Numismatic Association
by Gerald Tebben





Monday, April 16, 1945

Sixty-six years ago, April 16, 1945.

At 4 a.m. Soviet Marshal G. K. Zhukov looked toward Berlin from his bunker in the Kustrin bridgehead over the Oder and ordered: "Now, comrades! Now!"

Three red flares floated above the lines and, instantly, the German positions were lit up with the blinding light of 143 searchlights and thousands of tank and truck headlights.

Then, three green flares soared into the sky. This was the signal for thousands of big guns, wheel to wheel, to open the heaviest barrage of the whole of the war in the east. Villages were blown away. Forests burst into flames.

The Russians have assembled 2.5 million men, 6,250 tanks, 41,600 guns and mortars, 3,255 rocket launchers and 7,500 aircraft across three fronts for the assault of Berlin, 55 miles away.

As day broke, Berliners living in the eastern reaches of the city were awakened by the rolling thunder of artillery. Strong vibrations caused phones to ring on their own and jolted pictures from walls.

Long-range artillery shells fired from mobile rocket launchers that Berliners dubbed Stalin's organs fell upon the northern reaches of the city that evening. Some 2 million people - roughly half the prewar population - still lived in Berlin, seeking safety in makeshift basement bomb shelters and food wherever they could find it.

Soldiers, old men and Hitler Youth boys were ordered to defend the city from an onslaught of 2.5 million Soviet troops. Hitler issued an order of the day to the army: "He who gives the order to retreat is to be shot on the spot." In the days ahead SS and diehard vigilantes would decorate the city's trees and lamp posts with the bodies of countless "deserters," some as young as 13.

As the Third Reich crashed down around them in a cataclysm of violence in late April and early May of 1945, the remaining citizens of Berlin - mostly women, old men and children too young to fight - went about their lives as best they could amid the bombing raids, lynchings, rapes and mortar attacks.

Money - zinc and aluminum coins and paper money - were still accepted at the city's barely stocked stores during the unbroken weeks of bombings that preceded the April 16 Soviet advance on the city, during the 12 days of street-to-street fighting that marked Hitler's crazed defense of the city and during the first painful days of occupation.

The currency of the cursed time was remarkably unremarkable. The Nazis knew the value of art, the power of symbolism and the strength of mythology. Posters, parades and massive rallies served to legitimize the regime and extend its reach into every aspect of life, from marriage to child bearing. None of that force is evident on the Reich's coins and currency. Hitler's money was unrelentingly dull.



An eagle holds a swastika on the reverse of this 1936-A 2 pfennig

Nazi coins, struck at six mints in Germany and one in annexed Austria, were mostly zinc affairs showing an eagle holding a swastika on one side and the value on the other. Silver, even nickel, was diverted from coinage early in the war, leaving behind zinc for the 1, 5 and 10 pfennig pieces and aluminum for the 50 pfennig coins.

Except for swastikas, the Third Reich's paper money was nondescript, with muted colors, portraits of obscure historic personages and scrollwork. No images of Hitler. No views of marching troops. No celebrations of Aryan supremacy.

This is a look at the financial life of the city as the Third Reich collapsed and Soviet troops established a new order in those dreadful days as told by the people who lived through it and Western reporters who arrived early. Values mentioned in the accounts often do not agree, a result of imperfect memory or varying conditions during the Battle of Berlin.

Friday, April 20, 1945

Adolph Hitler emerged briefly from his underground bunker on his 56th birthday to honor men and boys, including nine Hitler Youth, who had been injured in battle. As Russian tanks entered the capital of the thousand-year reich, Hitler urged the youths to "keep on fighting with an iron will."

Fanatics plaster the city with banners reading, "The Fighting City of Berlin Greets the Fuhrer." Remaining stores were authorized to dole an eight-day ration allowance in honor of Hitler's birthday.

Dorothea Lawson, a 29-year-old mother, recorded in her book. "Laughter Wasn't Rationed," that the corner near her local store was guarded by a frightened 12-year-old who had been ordered to lie in wait until he saw a Soviet tank, then crawl under it and explode a grenade.

At the city's two remaining open post offices, 50-pfennig bright carmine stamps went on sale. These stamps show a soldier holding a machine pistol and a party leader holding a torch. The stamps bear a 12 pfennig postal value and a 38 pfennig surcharge, but could not be used for their intended purpose. There was no mail delivery within or without the surrounded city.

The post offices were rank with the odor of rotting food that people had tried to send out to soldiers in the waning days of the war.

Banks were still open, but everyone knew not for long. Lawson said for her and her neighbors, "our next urgent task was to withdraw money from the bank so we would have plenty of cash on hand."



Adolph Hitler emerges from his bunker to honor Hitler Youth injured in the battle on April 20, 1945.



The last Nazi stamps went on sale during the battle for Berlin.

Saturday, April 21, 1945

All males between 16 and 65 were mobilized into the Volkssturm or people's army and ordered to fight the advancing Soviets, effectively shutting most businesses and government offices.

In northwestern Berlin, a woman kept a diary of those days. It was published in 1954 in Germany as "A Woman in Berlin: Eight Weeks in the Conquered City" by Anonymous. The book, which was republished in English in 2005, is generally believed to have been the work of 34-year-old journalist Marta Hillers.



A dead Nazi soldier, with an Iron Cross pinned to his chest, lies dead in the streets of Berlin.

That Saturday, Anonymous counted her money, reflected on what might happen to Nazi currency after the Soviets arrived and collected her last paycheck.

"Just counted out my cash, 452 marks. No idea what I'll do with all that money - the only things left to buy cost no more than a few pfennigs. I also have about a thousand in the bank, again because there's nothing to buy."

That 452 marks represented nearly 11 weeks' pay to the average German worker during the war. Before the war, the highly controlled mark had an official exchange value of 40 cents. During the first few months of occupation, it was worth about a dime.

The Nazis imposed wage and price controls early in the regime as way to enforce use of its paper money while going into great debt to rearm the military. In the 1930s small corporations were dissolved and cartels created. Workers were required to work in "faithfulness" wherever the state assigned them and to work at state-set wages.

"If we go down, the mark goes down with us," the woman wrote. "After all, money, at least paper money, is only a fiction and won't have any value if the central bank collapses. Indifferent, I run my thumb over the wad of bills, which probably won't be worth anything except as souvenirs, snapshots of a bygone era. I assume the victors will bring their own currency and let us have some. Or

else they'll print some kind of military scrip - unless they decide not to give us even that, and force us to work for just a helping of soup."

The Nation observed in its March 10 issue, "The answer to the question of what will happen to the German mark after the war depends on how much power the ruling authority in Germany will have and how this power is used. Even today the very existence of the mark rests on the single fact that an omnipotent government prevents it from being used freely as a standard of value in a free market. The amount of paper money --banknotes -- has risen from 10 billion marks at the outbreak of the war to 50 billion marks at the beginning of this year."

At noon Anonymous walked to her workplace and received her last pay. She wrote, "The whole publishing house has dissolved into thin air. The employment office has breathed its last; no one is looking for help anymore. So for the moment we're all our own bosses."

On the walk home, she noted, "I bought some rolls at a bakery. The shelves still appear to be stocked, you don't see any panic buying." That would change quickly.

Soviet troops reached the outskirts of Berlin that afternoon, marking the start of street-by-street fighting.

Sunday, April 22, 1945

In a tearful rage during an afternoon situation conference in the bunker, Hitler admits the war is lost, blames his generals and announces that he will stay in Berlin until the end and then commit suicide.

Monday, April 23, 1945

Cornelius Ryan reports in "Last Battle: The Classic History of the Battle for Berlin" that looting spread throughout the city. Many store owners gave away their goods out of fear that the Soviets would punish them as hoarders. At Tenngelman's grocery, he wrote, flour, oats and sugar were all sold at 10 marks a pound, no ration stamps required.

Friday, April 27, 1945

The first Soviet troops arrived at the anonymous woman's street about midnight.

There, just as they had all over the city, Soviet soldiers raped the women, first in gangs then individually. Some women, Anonymous included, arrived at arrangements with individual soldiers trading sex and sometimes a sympathetic ear for security amid the chaos and protection against gang rapes.

Saturday, April 28, 1945

Anonymous writes, "Before leaving he (a soldier who raped her) fishes something out of his pants pocket thumps it down on the nightstand ... A crumpled pack of Russian cigarettes, only a few left. My pay."

In the late months of the war and first years of occupation, cigarettes were a major currency in Germany. Germans called it, zigarettenwahrung - cigarette currency. During the first years of occupation, many people - kippensammlers - supported themselves by collecting discarded cigarette butts and reworking them into new smokes.

Monday, April 30, 1945

Soviet rifle units rammed through the ruins of the inner city in the morning. At 2:25 in the afternoon, two Soviet soldiers raised the Red flag above the Reichstag. A few blocks away and 25 feet under ground, Hitler bit into a cyanide capsule and put a pistol to his head an hour and five minutes later.



Wednesday, May 2, 1945

The Soviet Union announced the fall of Berlin.

Friday, May 4, 1945

Gen. Nikolai Berzarin, Soviet commander of Berlin, ordered groceries and bakeries to reopen, but kept banks closed.

Gen. Nikolai Berzarin

Sunday, May 6, 1945

Anonymous writes that her protector has bought some "play money" for a card game. She says the money is "German coins, three - and five- mark pieces, which were withdrawn from circulation ages ago. How on earth did he get them? I don't dare ask."

While she does not describe the coins, they were likely nondescript 1931-33 Weimar Republic 3 mark pieces and early Nazi 5 mark coins. The Third Reich issued no 3-mark coins. Common Weimar pieces contained 0.24 ounces of silver and showed an eagle on the obverse and the denomination surrounded by an oak wreath on the reverse. The 5-mark coins were likely issued between 1934 and 1939 and featured either the Potsdam Garrison Church or a portrait of Paul von Hindenburg. Both figured prominently in the legitimization of Hitler's rule.

On March 21, 1933, the Third Reich was launched at a nationally broadcast state ceremony at the church, a Prussian shrine and tomb of Frederick the Great.

At the ceremony President Hindenburg, dressed as a field marshal, handed power to Hitler.

Tuesday, May 8, 1945

Victory in Europe - VE Day - was declared, 12 years, 1 month and 18 days after the Potsdam ceremony. It was also the first day that Allied Military Currency was reported circulating in Berlin.

Anonymous wrote, "The Russians have brought us an odd sort of money. The baker showed us a 50-mark bill, a kind of military issue for Germany that we've never seen before. He got it from a Russian officer for a mere 14 loafs of bread. The baker couldn't make change, but the Russian didn't seem to mind; evidently he had a briefcase stuffed with similar bills. "

At that point, 14 loaves of bread were worth 4 marks, 90 pfennig.

Allied Military Currency was a joint currency of the United States, France, Great Britain and the Soviet Union - the occupying powers - that circulated in Germany alongside existing German money until June 20, 1948, in the Western zones and June 24 in the Soviet zone, when old money was recalled, demonetized and replaced with new.

AMC marks were printed in the United States under tight control and in the Soviet Union with abandon. Vladimir Petrov in his 1967 book "Money and Conquest: Allied Occupation Currencies in World War II" estimates that the Soviets flooded the economy with 78 billion AMC marks, nearly 10 times to amount issued by the Western powers.

C. Frederick Schwan and Joseph E. Boling reported in "World War II Military Currency" that "Soviet troops were given large amounts of AMC Marks to spend indiscriminately."

The paper money was a part of the Allies' overall occupation plan for Germany. Immediately after the war, the Allies took control of the country's banks, froze accounts, issued occupation or American Military Currency, declared that Nazi money would continue to circulate at par with the new money and paid troops in new marks.

Petrov called the AMC mark an "outlaw currency." It had value only in Germany and could not be converted by civilians into other currencies, isolating Germany economically. Soldiers, however, were allowed to exchange AMC marks for home currencies, and at very favorable rates. By taking over the banking system, the Allies intended to shift all occupation costs to Germany.

Tuesday, May 15, 1945

Anonymous reports that roofers repairing her apartment building were paid in bread and cigarettes.

Wednesday, May 16, 1945

Soviet officials began checking the city's banks. Some were looted, either by German civilians or Red soldiers, in the last days of the war. Others were still functional, with ledger books intact and safes secured. One branch of the Deutsche Bank was even open for business, after a fashion, in ignorance or defiance of occupation rules. A sign said the bank would accept deposits from 1 to 3 p.m. Though it's doubtful anyone actually did.

Sunday, May 20 - Monday, May 21, 1945

Soviet authorities ordered the city's stores to remain open on the religious holidays of Pentecost and Pentecost Monday, Lawson wrote, "even though they had no merchandise to sell. Although the stores were open, the banks were closed and our money was frozen, so we could not buy anything anyways."

Tuesday, May 22, 1945

All men and women between the ages of 15 and 55 were ordered to report for work at local government offices. Some were told to clear rubble from the streets. Others were assigned to dismantle the city's factories for shipment to the Soviet Union.

Some factories had been stolen from Russia early in the war. Other German factories were taken as reparations. "Stalin's army stripped Germany of everything moveable and what could not be moved easily was dismantled, such as 380 factories from Berlin alone," Lawson wrote

Civilian workers were paid 8 marks a day, but payment was slow in coming and made only after taxes had been deducted.

Time magazine reported that summer, "An ordinary hausfrau had to put in one six-hour day each fortnight clearing rubble. Wives of Nazi party members labored six days a week at 72 pfennigs (approximately 7 1/2¢) an hour."

Tuesday, June 5, 1945

Soviet soldiers billeted at an old SS Lichterfeld barracks traded AMC marks for German goods. Lawson writes, "They had no idea of the value of German money, nor could they read the numbers on the bills. I sold each pen by pointing out which bill I wanted from the bundle in their hands with a 100, 500 or 1,000 on it, my private black market."

"Money, (in the days after the war)," she wrote, "was a constant problem because we could not withdraw from the closed banks or write checks. Prices rose every day, and it took cash or exchange transactions to exist."

Friday, June 8, 1945

A section of the S-Bahn resumed operations. Tickets were 2 pfennigs.

Anonymous, fearing, like thousands of other Berlin women, that she might be pregnant, visited a doctor. The fee was 10 marks.

Wednesday, July 4 - Thursday, July 12

American troops took over command of the U.S. sector of Berlin from Soviet forces.

Monday, July 16, 1945

Time magazine reported, "The U.S. took over its section of occupied Berlin, death-ridden capital of a dead empire, last week. Along a road marked off by the Red Army, a column of 4,000 U.S. vehicles rolled toward the shattered city."

During this time, cigarettes - called Amis by the Germans - gained ground as money. Petrov reports the value of a cigarette fluctuated, but was generally worth 7 marks during the first three years of occupation. He noted, "The remarkable value attained by the cigarette provided the Soviet authorities with a new means of extracting from the German population formerly hidden assets." The Reds converted war-booty tobacco into gold, trading 60 smokes for each gram of gold until the gold ran out. Then they sold their cigarettes on the black market.



Chesterfields were worth more than gold on the Berlin black market in 1945.

U.S. soldiers, too, found a way to make quick money from cigarettes. They bought packs of cigarettes at a post exchange for 5 cents and sold them on the black market.

Saturday, July 28, 1945

Journalist Joel Sayre reported on Berlin's cigarette economy in New Yorker magazine.

"On the black market a single cigarette costs from 15 to 20 marks (a dollar and a half to two dollars, at the official rate of exchange), depending on its quality. American cigarettes are considered the best, and the standard black-market price for a pack of 20 is 300 marks, or \$30. The value of a pack of Chesterfields can run as high as \$75 to \$90. . ."

Thursday, Aug. 2, 1945

Stars and Stripes, the military newspaper, reported that the 33,000 U.S. troops stationed in Berlin in July sent home \$4 million, four times the Berlin garrison's total monthly payroll.

Cigarette currency died a sudden death three years later when Nazi and AMC bills were replaced with new paper money, Lawson said.

Tuesday, July 20, 1948 -- Three years into occupation

As the Cold War began and Berlin spiraled into blockade, Western authorities demonetized AMC marks and replaced them with new U.S. - printed Special Army Currency, called D-marks by the Germans, under a complicated schedule that punished black marketeers and anyone else who had large amounts of money.

Petrov said the first 70 AMC and old Nazi marks were exchangeable 1 for 1 with new marks. The next 4,930 AMC marks were exchangeable at the rate of 10 AMC marks for each new one. Additionally, the first 5,000 marks in savings accounts were exchangeable at the rate of 5 to 1. Larger amounts were not exchangeable and became worthless in short order.

Lawson, reporting different numbers, wrote, "Long lines of hollow-cheeked and poorly dressed Germans formed outside the issuing offices to exchange 40 grubby looking Reichsmark for 40 crisp new D-Mark."

Whether it was 40 marks or 70 marks, the result was the same. Lawson wrote, "For one moment everyone was now equally rich or equally poor. "

Coins and currency circulating in Germany in 1945

MINTS

Nazi Germany operated seven mints in Germany and Austria.

Mint	Mint mark
Berlin	A
Vienna	B
Munich	D
Muldenhutten	E
Stuttgart	F
Karlsruhe	G
Hamburg	J

The Vienna Mint became a part of the Nazi mint system with the Anschluss or German annexation of Austria on March. 12, 1938. It produced Nazi coins through 1944.

COINS

Germany suspended silver, bronze and nickel coinage early in the war.

Wartime coins were struck in 1, 5, 10 and 50 pfennig denominations at all seven mints. All showed an eagle holding an entwined swastika on the obverse and the denomination on the reverse. The mint mark is at the bottom of the reverse.

1 pfennig, zinc

1940-1945

The coin was minted at all seven mints from 1940 through 1943. Hamburg did not strike the coin in 1944. In 1945, only the Berlin and Muldenhutten mints produced the coin.

The 1945-E (Muldenhutten) coin is the key to the series. Despite a reported mintage of 6.8 million, the coin retails for \$50 and up in circulated condition and \$175 in uncirculated.

5 pfennig, zinc

1940-1944

The coin was struck at all seven mints at various points during the war. No coins were struck in 1945. The key is the 1943-B (Vienna) piece, with had a mintage of just 833,000 pieces. It retails for \$30 and up in circulated condition and \$160 in uncirculated condition.

10 pfennig, zinc

1940-1945

The coin was minted at all seven mints from 1940 through 1943. Hamburg did not strike the coin in 1944. In 1945, only the Berlin and Muldenhutten mints produced the coin. The key is the 1943-J (Hamburg) coin, with a mintage of 1.8 million. It retails for \$25 and up in circulated condition and \$200 in uncirculated.

50 pfennig, aluminum

1939-1944

The coin was struck at all seven mints at various points during the war. No coins were struck in 1945. The key is the 1944-G (Karlsruhe), with a mintage of 1.19 million. It catalogs for \$60 and up in circulated condition and \$400 in uncirculated.

Condition and availability

Nazi coins tend to be cheap and plentiful, though condition can be a problem on zinc issues. Zinc coins corrode easily, leaving an unattractive covering of powdery white zinc oxide behind.

In fine condition, most coins retail for just a few cents. With a little searching, a decent type set can be put together for a buck or two. Uncirculated 1, 5 and 10 pfennig pieces can be bought for \$5 to \$10. Uncirculated 50 pfennig pieces are harder to find, costing \$25 and up.

Allied occupation coinage

A few coins were struck at the Munich and Stuttgart mints in 1945.

The most intriguing piece is a scarce 1944-D (Munich) zinc 1 pfennig struck from altered dies apparently after the city surrendered to U.S. troops on April 30, 1945. The wreath and swastika were polished off the die and a handful of coins struck. The coin, which is sometimes classified as a pattern, catalogs for \$10,000. No other coins were struck at Munich until 1947.

In 1945 the Stuttgart Mint struck zinc 1 and 10 pfennig pieces for occupation forces. The obverse of these coins shows a stylized eagle, without a wreath or swastika. The coins are more difficult to find than Nazi pieces, but cost less than \$10 in very fine condition.

PAPER MONEY

During the Nazi era, Germany issued 5, 10, 20, 50, 100 and 1,000 reichsmark notes.

5 mark

This denomination was introduced in 1942. The obverse shows a young man; the reverse the lion memorial at the Braunschweig cathedral. An eagle holding a swastika is beside the numeral 5 on the obverse.

10 mark

The bill, introduced in 1929 but printed as late as 1945, shows agricultural scientist Albrecht Thaer (1752 - 1828) on the obverse and a medallion showing a personification of agriculture on the reverse.

20 mark

This multicolored note shows a young woman holding an edelweiss flower on the obverse and a landscape on the reverse. It was introduced in 1939. An eagle holding a swastika is on the obverse.

50 mark

Introduced in 1933, the bill shows politician David Hansemann (1790 - 1864) on the obverse and a medallion showing a personification of commerce on the reverse.

100 mark

This bill, introduced in 1935, has a swastika underprint on the obverse. The bill shows chemist Justus von Liebig (1803 - 1873) on the obverse and a medallion on the reverse.

1,000 mark

A large swastika underprint commands the center of this bill, which was introduced in 1936. It shows architect Karl Friedrich Schinkel (1781-1841) on the obverse and a medallion showing a personification of architecture on the reverse.

Nazi-era bills are common. Circulated 5, 10, 20 and 50 mark bills can readily be purchased for 10 cents to \$10. Uncirculated type 5, 10, 20 and 50 mark bills sell for \$35 or less.

The 100-mark bill sells for \$10 in circulated condition and \$40 in uncirculated. The 1,000 bill is more difficult to locate. It catalogs for \$30 in very good and \$150 in uncirculated condition.

Nazi money circulated along side and at par with Allied Military Currency during the early years of occupation.

Allied Military Currency

Allies issued non-convertable currency for use in Germany. These bills, in 50-pfennig and 1, 5, 10, 20, 50, 100 and 1,000 mark denominations, were printed both by the United States and the Soviet Union. American bills have a tiny F worked into the scroll work for Forbes Lithographic Manufacturing Co., which printed the U.S. bills. The U.S. decision to give the AMC plates to the Soviets was highly controversial within the U.S. wartime administration and was the subject of a McCarthy hearing in 1953. It is unknown whether Treasury Secretary Henry Morgenthau made the decision on his own or on the president's OK.

50 pfennig

Green on light blue underprint

Square

The bill has a large M in the center of both the obverse and reverse. The denomination, expressed as a fraction, is at each obverse corner.

1 mark

Blue on light blue underprint

Square

The bill has a large M in the center of both the obverse and reverse. The denomination, expressed as a numeral 1, is at each obverse corner.

5 mark

Lilac on light blue underprint

Square

The bill has a large M in the center of both the obverse and reverse. The denomination, expressed as a numeral 5, is at each obverse corner.

10 mark

Blue on light blue underprint

Rectangular

The bill has a large M in the center of the reverse and the right side of the obverse. The denomination, expressed as a numeral 10, is at each obverse corner.

20 mark

Red on light blue underprint

Rectangular

The bill has a large M in the center of the reverse. The denomination, expressed as a numeral 20, is in the center of the obverse and at each obverse corner.

50 mark

Blue on light blue underprint

Rectangular

The bill has a large M in the center of the reverse. The denomination, expressed as a numeral 50, is in the center of the obverse and at each obverse corner.

100 mark

Lilac on light blue underprint

Rectangular

The bill has a large M in the center of the reverse. The denomination, expressed as a numeral 100, is in the center of the obverse and at each obverse corner.

1000 mark

Green on light blue underprint

Rectangular

The bill has a large M in the center of the reverse. The denomination, expressed as a numeral 1000, is in the center of the obverse and at each obverse corner.

The 1,000 mark bill is the key to the Allied Military Currency series. The U.S. version either did not circulate or saw only limited release. U.S. bills run \$250 and up in circulated condition and \$900 in uncirculated condition. Soviet bills are readily available for \$30 and up in circulated condition and \$180 in uncirculated.

All other denominations are common. They came back by the boatload with returning soldiers. A few years ago they could be plucked from junk boxes for a few cents to a couple dollars. Now they catalog for \$5 to \$15 in circulated condition. AMC and Nazi paper money were demonetized in 1948.

Ami

The Ami or cigarette was the unit of exchange in the cigarette economy. Cigarettes, including butts, circulated in parallel with marks from 1945 through 1948.

Values varied widely, depending upon supply, though tended to be 7 marks per cigarette. American cigarettes were generally preferred to Russian. Chesterfields were worth the most.